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JAPAN'S DEFENSE: PERCEPTIONS AND REALITIES

Introduction

Since the 1950s Japan has pursued a consistent but gradual rearmament program to meet its self-defense needs. Once an object of controversy -- the very existence of the forces has been viewed by many as a violation of the country's "no-war" constitution -- the Self-Defense Forces (SDF) are widely accepted by Japanese voters.

In the last two decades, controversies have surrounded Japan's defense, but not its legitimacy. The disputes center instead on the appropriate size of the SDF and its role in the Asia-Pacific region. As Japan's economic influence grows and as potential direct threats to its security increase, the country's defense capabilities must necessarily expand as well. Both in Japan and the United States, however, there is still some question as to how large they should grow.

Evolution of Defense Cooperation with the United States

Defense relations between the United States and Japan have experienced siginificant transformations since the Diet authorized the Self-Defense Forces on July 1, 1954. Although security arrangements in the 1950s might have been to the advantage of both countries, many in Japan felt that these provisions were imposed on the country without extensive consideration of national interests. As the SDF gained maturity and the United States disengaged itself from internal Japanese political affairs, the stage was set for the development of new relations between the two countries.

Much of Japan's security policy initiatives in the immediate postwar period were directed toward reestablishing normal diplomatic relations with other nations and regaining its own independence. The American presence in Japan immediately after the war was massive, of course, due to the demands of the Occupation and the Korean War. In 1952, there were 2,800 American bases throughout the country.

A significant element of public opinion understandably resented the American presence, particularly after the Occupation ended. Many felt that the continued influence of the American military on domestic affairs was an affront to Japanese sensitivities. American personnel were steadily removed from the country and bases were closed, but the process continued well into the 1970s until reaching current levels.

Two significant developments occurred in Japanese security policy in 1967. The first was the enunciation of the three "non-nuclear principles" by Prime Minister Sato. The policies were simple and straightforward: Japan would not possess nuclear weapons, manufacture them or allow their introduction onto Japanese soil. These principles have been strongly supported by successive governments and enhanced by Japanese ratification of the nuclear test ban treaty and the U.S. "nuclear umbrella". The second policy was the decision to ban arms exports to various countries (communist countries, countries to which arms exports were prohibited by United Nations resolutions and countries involved in conflicts). The ban was extended in 1976 to virtually prohibit any type of arms exports.

Both policies have posed problems in recent years for U.S.-Japan defense cooperation. While there has been no difficulty presented by the first two of the non-nuclear principles -- indeed, the principles have been reassuring to the United States and to Asian nations which feared revived Japanese militarism -- the restriction on "introducing" nuclear arms onto Japanese soil, while at the same time retaining the U.S. nuclear umbrella, have continuously bumped into one another. Up to the present, both countries have been able to finesse the occasional embarrassments that present themselves on this point, but maintaining that American nuclear weapons are in proximity to Japan to defend the country but have never actually entered its territory is increasingly difficult. The export ban, meanwhile, had been broadened to such a point that it discouraged technology transfers from Japan to the United States, and as Japan's technological proficiency advanced, this became a source of irritation. This potential trouble spot was resolved with the initialing of a technology transfer agreement last November.

The reversion of administrative control over Okinawa to the Japanese government was in a sense the end of the occupation period in Japan's postwar history. With reversion and the subsequent withdrawal by the United States from Southeast Asia, it became clear that Japan might be expected to fill the power gap left by the reduced American presence in the Asia-Pacific region. Defense relations during this period were marked by suggestions of increased Japanese contributions to its own defense, but no clear consensus existed in either country as to the role Japan should play in the region. Indeed, sensitivity to residual fear of revived Japanese militarism was a major concern

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among key policymakers in the Nixon adminstration. However, the United States was known to favor increased Japanese spending for defense.

Several well-known developments in the Nixon period affected Japan directly and dictated reconsideration of its stance on an independent defense capability. The "Nixon shocks" in 1971 were taken without prior consultation with the Japanese government and indicated that the United States could not necessarily be depended upon to take policy actions with Japanese interests in mind. The oil crisis demonstrated Japanese economic vulnerability as well.

Relations were strained during the Carter administration as initial feelings of good will by defense officials gave way to harsh criticism of Japanese defense policies. Defense Secretary Harold Brown frequently criticized Japanese defense spending levels as insufficient and disappointing. "They bickered over each hundredth percent of the Japanese defense budget," says a Tokyo-based American observer. While the criticism may have been justified, the manner in which it was communicated to Japanese officials -- usually in the American press -- was not conducive to improved cooperation between the two countries.

With the coming of a new administration in 1981, the conduct of mutual security relations has changed dramatically. Former Secretary of State Alexander Haig set the tone when he annnounced during the presidential transition period that the United States would no longer criticize its allies in the press, just behind closed doors. Policy disagreements might continue, but preservation of relations would be emphasized.

The May 1981 joint communique between President Reagan and former Prime Minister Zenko Suzuki caused a certain amount of debate in Japan, but went a long way toward furthering bilateral cooperation. The communique, which referred to the "alliance" between the two countries and a common perception of the Soviet threat, precipitated a flurry of criticism in Japan because the choice of words connoted strong -- possibly military -- terminology. Mr. Suzuki's foreign minister sacrificed his term in office as a result, but relations advanced one step further. Prime Minister Nakasone's comments during his visit to the United States in January 1983 caused similar outcries, especially his "unsinkable aircraft carrier" reference, but he has managed to survive thus far. It is important to note that few in Japan now challenge the reality of the alliance.

Shifts in Japanese Defense Analyses

Japanese perceptions began to change during this period as the American commitment to Japan's defense came into question. If the United States was not willing to consider Japanese interests in the trade embargo and currency developments in 1971, some reasoned, why should it be concerned with defense of Japan's territory? The U.S. involvement in Vietnam was seen by many in Japan as reducing or distracting American regional defense capabilities. Furthermore, the conflict was sure to dampen American public support for any type of overseas military involvement. Then, too, the return of the Bonin Islands and Okinawa contributed to a reassessment in defense strategy. Administrative control implied Japanese responsibility for territorial defense,

yet these islands are some distance from Japan's administrative center and dictated expanded defense capabilities.

After Yasuhiro Nakasone became JDA director general in January 1970, an official white paper assessing Japanese defense capabilities and policies was prepared and released. It was the first time the JDA had articulated formal positions on the role of Japan's defense forces and the military situation. Annual assessments have been published every year since 1976.

The white papers provide revealing insights into the goals of Japan's defense policies in Asia. Over the last five years, stronger perceptions of direct potential threats to the nation's security have emerged and policies have been adjusted accordingly. For example, the 1979 white paper views Soviet expansion as an effort to solidify its presence in Asia and only peripherally a response to the United States-Japan presence. The study does not suggest that the U.S.S.R. represents a direct threat to Japanese territory. The East Asian situation is viewed in terms of a triangular relationship among the People's Republic of China, the Soviet Union, "with its powerful military structure," and the United States, "which has established a solid military and political presence here." The three powers are seen as balancing one another: "A certain equilibrium is maintained."

The report looks at Soviet deployments on the northern territory islands of Etorofu and Kunashiri officially as "a part of the recent Soviet efforts to increase and modernize Soviet military forces in the Far East... Since any military presence in such an area is of grave concern to the defense of Japan, it is necessary that we continue to maintain close vigilance over these Soviet activities." While "grave concern" and "close vigilance" are indicated, there was no call for a direct response nor any suggestion that the Soviet presence posed a threat to the country's security.

Perceptions of a direct threat do emerge in the most recent white paper, however, published in 1983:

> The redeployment of ground troops on the Northern Terrritories was done because militarily (its) importance (has increased) and politically (to force) upon Japan the established fact of the illegal occupation of the Northern Territories.
>
> The Soviet Union has been persistently beefing up its military might in this region in terms of both quantity and quality, (representing) an increasing potential threat to Japan.... In these circumstances, efforts by Japan to maintain a proper level of defense capabilities and to enhance the credibility of the Japan-U.S. security arrangements contribute to its own security, of course, as well as to the peace and stability of this part of the world.

Successive white papers have reflected changes in defense concepts and in Japan's role in the global community. In 1979, the paper broadly examined the international military situation. By 1983, the JDA provided thoughts on specific areas, including the NATO-Warsaw Pact balance and developments in the Indian Ocean. This shift reflects important adjustments in Japanese attitudes, including these:

• Japan is vulnerable to political developments abroad. This realization was well established in the minds of Japanese officials and voters when the Middle East oil crisis erupted. Military developments have heightened this sensitivity and have encouraged policy changes not only in economic areas but in defense as well.

• Japan is a member of the global community and can contribute to global security not by being active militarily in all parts of the world but by assuming a larger role in its own defense. (Clearly, constitutional and political limitations would never permit a Japanese defense presence abroad).

• Japan is part of the Western alliance. New chapter subheadings in recent white papers specifically examine the concept of Japan as a member of the "Western camp".

• The government's perceptions of Japan's defense responsibilities have changed. Official policy seemed to assume that the United States would take primary responsibility with the Japanese government providing a supplementary role. There was a reliance on a balance of power among China, the Soviet Union and the United States to maintain stability. That concept has given way to the realization that Japan is responsible first for its own defense. Although U.S.-Japanese security arrangements still provide the bulk of real deterrent capability, it is generally agreed that Japan must be able to repel an attack until such a time as those mechanisms can be put into action. Further Japanese efforts can only improve mutual security agreements.

• Japanese officials now rely more directly on Japanese policies and actions and have less passive -- and optimistic -- assumptions that international politics will take care of the country's defense.

"56 Chugyo": The Medium-Term Defense Program

The core of Japanese defense policy implementation is the "56 Chugyo", the Medium-Term Defense Program estimate originally drafted in 1981 and amended annually. (The "56" represents the Japanese Imperial calendar year of 1981). The Chugyo is an outline of Japanese procurement policy which has become the fundamental guideline for budget decisions. It is unofficial insofar as it has never been formally approved by the Diet or issued as a policy instrument by the Japan Defense Agency, but it is an important planning concept and its implementation has been watched with interest by the country's allies. In broad terms, the Chugyo outlines the following objectives to be fulfilled by appropriate defense budgets:

• Formation of six F-15 squadrons and four F-4EJ squadrons for air defense capabilities supplemented by an E-2C early warning squadron. A total of 400 combat aircraft are sought, with upgraded surface-to-air missile units.

• Replenishment of support fighter units directed at defense against airborne and seaborne invasions, with expanded armored units, anti-tank capabilities and greater minelaying and missile ship capabilities.

• Implementation of programs to expand electronic warfare capabilities, combat readiness and sustainability of forces.

• Improved surveillance, command and communications capabilities through improvements in the base air defense ground environment (BADGE) system.

By the end of fiscal 1984, 27 percent of the plan will be in effect. It is significant to note that several elements are rather vague. In terms of strategy, it is directed to three defensive goals: control of the air space over and around Japan, protection of the coastal areas and protection of the sealances approaching Japan, ultimately to 1,000 miles. This last goal clearly will require the most time to implement and is still a source of discussion in Japan.

Self-Defense Forces: Current Strength

The Self-Defense Forces now consist of more than 241,000 ground, air and maritime forces with an authorized ceiling of 270,184 for the all-volunteer force. Ground forces (GSDF) constitute the bulk of the manpower in the SDF, with 156,000 men in 13 divisions (12 infantry and one armored). Naval forces (MSDF), including naval air support groups, have 42,000. Finally, the Air Self-Defense Forces (ASDF) have 43,000 men and 280 aircraft.

Total Japanese defense spending has increased from Y134.9 billion ($370 million) in 1955 to Y2.8 trillion ($11.6 billion) in 1983. Between 1970 and 1979, according to official Japanese government calculations, total defense spending grew an average of more than 15.8 percent annually, before inflation. Growth in defense spending fell below the ten percent level in 1980, averaging 6.99 percent through fiscal 1984. According to the 1983 defense white paper, Japan ranks eighth in total defense spending, ahead of East Germany, Israel, Poland, India, Canada, Australia and South Korea, although its spending in terms of gross national product remains among the lowest in the world.

Self-Defense Forces: Assessments

From an overall viewpoint, the SDF appears to be a respectable force backed by a comprehensive, articulated defense policy. Analysts suggest that training is uniformly good, although not necessarily superior. Antisubmarine warfare, minesweeping and minelaying capabilities are given above-average marks by U.S. naval specialists. However, there are problems which undermine policy aims. In the harsh verdict of one writer, "the issue is one of modernizing a force structure that is little more than a military joke."

The single most glaring limitation of the SDF is "sustainability." While equipment purchases have been significant, doubts exist among some observers over the the SDF's capability to sustain a large-scale operation over a prolonged period of time. For example, the ground forces have an estimated ammunition supply of just one week -- hardly an inspiring level for potential defenders of Japanese soil. In spite of the large contingent assigned to the GSDF, some analysts suspect that its attack capabilities are not particularly good.

Other weak areas exist in the maritime and air forces. Minesweeping capabilities are good, for instance, but the MSDF lacks sufficient numbers of mines to take full advantage of its capacity. Antisubmarine forces are considered sufficient to a 200 mile range, but air self-defense forces probably

are inadequate to support them at that range. Logistics, communications capabilities and internal transportation problems exist at all levels of the SDF, according to one defense analyst.

Reserves are perilously low as well. The GSDF have only 40,000 men in reserve and the maritime forces have just 600. The air branch has none at all, severely restricting expansion capabilities in times of crisis. The standing forces themselves are well below their authorized levels. However, personnel costs are the largest expense facing the Japan Defense Agency, so manpower levels are the last thing officials there seek to expand.

The SDF also lacks strategic objectives and organizational plans for integrated operations. Individual missions for the three branches are limited and rarely include mutual support operations. The services are independently controlled and lack a unified command system. Coordination among the three branches in planning, drafting annual budgets, logistical support and training is poor. Moreover, far too much of the SDF's equipment is old or inappropriate for its intended usage. Sixty percent of the GSDF's supplies are obsolete or inadequate, as is 84 percent of the ASDF's and and 66 percent of the naval services'.

These problems arise from the nature of defense budget priorities. With 72 percent of the medium-term program's major acquisitions allocated to the early years of the plan, future budgets are intended as supplements. Consequently, the defense structure faces a situation in which it has considerable equipment, but lacks the means to sustain it. Stocks are insufficient, but budget limitations prevent across-the-board spending. As suggested in the goals mentioned earlier, these problems will be met in the future, but for the present, they limit the effectiveness of the SDF.

This has American officials concerned. As one defense official notes, "If you can't fight, you can't deter." And deterrence is the real role of the SDF. While American officials speak of an independent Japanese defense capability, realistically they hope that the country is capable of repelling a first wave invasion or restricting Soviet movements in the region. As presently constituted, the SDF probably could do neither.

The Budget Barrier

This leads to the one percent quandary. As a percentage of the country's gross national product, defense spending reached a peak in the postwar period in 1955 when it totaled 1.78 percent of Japan's GNP. As domestic economic development became an official government policy, defense spending relative to total government budgets was gradually reduced. The level fell below one percent in the mid-1960s and has remained there. The Miki Cabinet made this official policy in 1976.

The one percent figure has become an emotional symbol in both Japan and the United States. Initially, the policy was aimed at rectifying fears that Japanese militarism would run rampant again in the Pacific. In recent years, however, the limit has severely restricted defense plans which generally have support among Japanese voters and are being encouraged by U.S. officials. The current budget calls for Y2,934.6 billion ($12.4 billion) in defense spending,

an increase of 6.55 percent from FY 83, almost one percent of Japan's GNP. Increases in base pay for civil servants could bring the total to one percent or above. Although Japanese voters would probably accept 1.01 percent or even 1.9 percent, it is the initial breach that inevitably causes concern. Once that is exceeded, a natural debate will follow over what constitutes a viable level.

For those in Japan who remember the harsh experiences of the war, and for the new generation which has enjoyed the benefits of peace, this is not a trivial question. Further, while there is growing support among Asian nations for a gradually expanding defense role by Japan in the region, a clear definition of defense sufficiency has not been provided. Consequently, the Japanese government is faced by troublesome decisions every time its defense spending needs increase, no matter how minor.

Prime Minister Yasuhiro Nakasone, who headed the JDA in 1970 and is viewed within Japan as a strong figure on national defense, has endorsed the one percent limit, but in such a way that some observers are hoping for a hike in the near future. Mr. Nakasone has vowed to honor the limitation to the "greatest extent possible", suggesting that future budgets will have higher spending levels relative to GNP and total government budgets.

The JDA's budget is limited in other respects as well. The Ministry of Finance (MOF), a powerful bureaucratic force entrusted with the rsponsiblity of preparing budget recommendations, has presented austere budgets for several years running. Defense has been one of the few categories in which MOF, concerned with government deficits, has tolerated increases.

The question, though, is what is needed and how to achieve it. Estimates vary, but it is generally suggested that 10 to 12 percent defense spending increases for five consecutive years are necessary to achieve most of Japan's aims in the mid-term plan. Some studies suggest that a maximum spending level equal to 1.8 to 2.0 percent of the country's GNP would meet overall aims and that lower levels would suffice if service missions among the three branches were redefined and the SDF was reorganized accordingly.

This returns to the problem of defining appropriate roles to satisfy domestic perceptions and cooperate with the United States on regional security. A reduction in ground forces, for example, would free resources for the maritime SDF. Since Japan is an island nation, it is argued, it is principally threatenend from the sea and air. Ground forces are suitable in repelling a land invasion which, in this case, might not be a realistic threat. Intelligence analysts disagree over the Soviet Union's capability to launch such an attack.

American Political Pressure: Congress and the "Free Ride"

Complicating the problem is persistent pressure from the Congress to expand Japanese defense spending. Underlying this criticism is the pervading sentiment, particularly as Japanese economic strength has manifested itself in American consumer markets, that U.S. support has enabled the Japanese government to commit far less to defense spending than otherwise might have been necessary, allowing the country to concentrate its efforts on domestic and

international economic growth. These critics accuse Japan of benefiting from a "free ride" in defense, and they link the country's economic success with its minimal defense burden. And although administration officials would not publicly endorse this criticism, there are those who might agree that it is indeed a cheap ride.

Congressional irritation has resulted in frequent efforts to link bilateral trade issues with Japanese commitments for greater defense spending. The most recent example of this attitude is a statement released on January 30 by Sen. Carl Levin (D., Mich.) calling for tougher American positions toward Japan on defense and trade.

This linkage will not go away in the years to come. Bilateral trade deficits are so heavily in Japan's favor that no amount of defense spending is likely to satisfy the United States. The problem has now reached such exaggerated proportions that comprehensive solutions including numerous market expansion plans, higher defense spending and "fair" trade practices are required. It is doubtful whether even these concessions would still the disputes.

Ultimately, this approach might prove counterproductive. The current prime minister is an astute politician who is capable of achieving concessions of his own from the United States. To a significant extent, he has already been able to convince Washington to reduce pressure on his administration in the trade arena in return for greater cooperation in defense areas. Indeed, President Reagan's visit last November demonstrated a new sensitivity to the political difficulties facing the Nakasone Cabinet in its efforts to increase defense spending and provide trade concessions to the United States.

However, Mr. Nakasone might not be satisfied to leave the issue there. In recent statements, possibly intended for domestic constituencies, he has suggested a linkage between trade and defense issues, but from his perspective: that the United States should not expect too many concessions in certain negotiations, agriculture in particular, because his administration has already expanded defense spending far more than other categories in spite of the budget deficit.

U.S. government officials would probably disagree with this reasoning, pointing out that a stronger defense is consistent with Japan's security interests and that Mr. Nakasone himself has been a longstanding proponent of increased spending. To a certain extent, they would interpret such remarks as directed toward domestic consumption and only shallow bargaining tools in unrelated trade negotiations. But if Mr. Nakasone is preparing to break the one percent barrier as a matter of policy, he will be forced to protect other constituencies to retain overall political support and survive the inevitable criticism that will be directed toward him once that level is broken.

Nevertheless, significant political risks exist; "One Percent of GNP" is just as emotional a slogan in Japan as "No More Vietnams" is in the United States. The intensity of the debate is such that, although Japan at some point in the future will spend more on defense, the leader who takes the country into this new ground faces the distinct possibility that his career will come to a premature end.

Perceptions of U.S. Security Policy

For many years it has been apparent that the United States sought greater direct participation by Japan in meeting its defense needs. However, lack of a clear U.S. policy limited Tokyo's responses to that expectation until recently. Now that U.S. policy is more consistent, there is still a question of whether the two governments are communicating on the same level. Although there is more communication and cooperation, misperceptions might exist regarding the policy aims underlying American statements -- even at the highest levels of the government.

An advisor to Prime Minister Nakasone suggested in the summer of 1983 that it was his belief that "the United States wants Japan to buy more guns." If defense spending was increased and funds were devoted to weapons purchases, the advisor suggested, the prime minister felt that much of the political pressure generated on Japan would dissipate.

Such a perception, one analyst has responded, would be a "terrible misunderstanding" of Defense Department policies and security aims. While defense acquisitions are important in fulfilling Japanese defense strategies, sufficient support is also necessary. Furthermore, it is not simply a matter of "more guns": Japan can contribute to its own self-defense and regional security through other means as well, including aid to developing nations and intelligence activities.

In the meantime, front-loading the defense plan satisfies symbolic political needs for Prime Minister Nakasone. Weapons purchases, especially "big ticket" items, are highly visible and dramatic steps toward building Japan's defense. The purchases also contribute to slightly lower trade imbalances between the two countries.

The U.S. defense establishment is not likely to be convinced that this approach does justice to Japan's defense needs. The threat to Japan, it is argued, exists now and must be met now. "Buy now, supply later" is no more useful to Japan's security than existing outmoded equipment. The key point is that accelerated, across-the-board spending hikes are necessary if Japan's security is to be enhanced and long-term goals, including 1,000-mile sealane defense, are to be satisfied. The current "stumbling around in the status quo," suggests one observer, "is the worst option."

Alternative Contributions to Security

In what other ways could Japan contribute to security if its defense budgets remain at their present levels and pace? Although Defense Department officials suggest that there is no alternative to expanded spending, it is possible that Japan could provide considerable assistance in other areas that would go far toward aiding the policy aims of both countries in the region.

Development assistance is usually the first area suggested. Japanese aid has been extended to countries well outside its immediate environs, including Pakistan and Turkey, two countries of considerable importance to American strategists. More extensive aid programs to ASEAN nations would help to diffuse political and economic pressures. If this is the case, American

officials should be encouraged by the 9 percent increase in official development assistance (ODA) suggested for fiscal 1984. The increase sets Japan back on the path of increasing its foreign aid, which had been declining in recent years from the peak level of $3.3 billion in 1980. Japan already is the fourth largest contributor among major donor countries, behind the United States, France and West Germany.

Another area in which Japan can increase its already significant contribution is in support of U.S. forces stationed in and around Japan, especially the maintenance of the Seventh Fleet. Japan now spends approximately $1 billion a year to help maintain U.S. services in Japan. Larger amounts would help reduce the "free ride" criticism in Congress. It must be noted, though, that Tokyo's contributions in this area already compare favorably with those of other U.S. allies, including West Germany. Furthermore, the quality of support services is exceedingly high. Several naval specialists have implied that the U.S.S. Midway -- the Navy's oldest carrier and the only one permanently assigned abroad -- could never have survived as long as it has without years of Japanese maintenance assistance and "TLC".

Additionally, simply providing facilities to U.S. forces in a stable democracy provides America with a reliable staging point in the region (although some Japanese government officials might grow nervous over use of such terms). "The U.S. would go nuts," one analyst noted, "if it had problems in Japan like it does with Subic Bay." America's ability to rely on Japan in providing these facilities simplifies planning considerations and provides an element of stability in long-term thinking.

Opposition in Japan to American forces has lessened over the years and is now a minor factor in bilateral defense relations. The same cannot be said of several other areas of the world in which there is an American military presence. Providing support services works to the advantage of both countries, of course, but it would not be possible without the consent and cooperation of the Japanese government. Furthermore, as a country which was once occupied, the significance of stationing American forces there today in terms of Japan's sovereignty cannot be underestimated.

The final -- and perhaps most sensitive -- area in which Japan and the United States have already demonstrated significant joint capabilities is intelligence. The same condition which poses so many problems to Japan -- proximity to the powerful and potentially threatening Soviet Union -- also gives it an advantage in intelligence operations. The KAL 007 incident indicated that Japanese intelligence capabilities are far better than is generally assumed and that the United States can depend upon Japanese cooperation in this area when mutual security concerns are clearly at stake. Transcripts released in the days following the incident indicated advanced capabilities for ground and air monitoring of Soviet flights and communications.

It should not be surprising that electronic monitoring capabilities and information gathering in Japan should be so developed. The United States and Japan lead the world in electronic technologies and should retain this advantage for years to come, especially if technological transfers and

cooperation accelerate. Policy emphasis by Japan on intelligence should come as no surprise, either. As director general of the JDA, Mr. Nakasone once spoke of the need for Japan to have "long ears" to keep abreast of developments outside of the country. The capacity for absorbing and digesting vast quantities of information is frequently cited by "Japanologists" as one of the country's key strengths and reasons for success in the world. These capabilities are being enhanced under current defense programs. An MSDF ship is now patrolling the Soya Straits with the expressed purpose of monitoring Soviet communications.

A major limitation in this field is that Japan lacks an indigenous intelligence satellite program. Development of a domestic satellite program is a major government goal, but at this point it is still "hands off" for foreign involvement. National security is frequently cited as the reason for preventing outside participation in the program -- another example of the defense-trade linkage that could prove to be detrimental to both countries.

Some intelligence specialists, suspicious of Japanese motives, suggest that the problem can be resolved by purchasing an American intelligence satellite and allowing this country to operate the system and transfer information to the JDA. However, it is unlikely that Japan, which is already providing bases for American forces on its territory, would accept this type of involvement in its security activities.

Intelligence probably will be emphasized even more in the future. For relatively low costs, the returns are high. It is an area in which Japan is very capable and should remain so. Finally, it is a positive contribution to regional security and its own self defense.

The only problem is that because it is difficult for the Japanese government to take political credit for such activities, they might not earn the country great praise in the halls of Congress. The very nature of intelligence operations precludes publicity. If Japan claims it is making a major contribution to defense by operating certain intelligence networks, the claims could be substantiated only in the most guarded and classified government briefings. Most Americans and their elected representatives would never be aware of the extent and importance of those activities.

Conclusion

The largest military threat to Japan is the Soviet Union. About 25 percent of total Soviet ground forces -- 370,000 troops -- are stationed in the Far East along with 2,100 aircraft and 820 ships displacing 1.62 million tons. Most of the ground forces are tied down along the Sino-Soviet border, but the remaining air and naval capabilities affect Japan directly. Soviet troops have been redeployed in the northern islands of Kunashiri, Etorofu and Shikotan, supported by tanks, armored personnel carriers, long-range 130 mm cannons and MI-24 Hind ground attack helicopters. MiG-17 fighters are deployed at the Tennei air field on Etorofu and are being replaced by more modern MiG-21s.

These forces pose considerable danger to Japan's physical security but even more important is their potential utilization for political blackmail. In debating long-term strategies it is often forgotten by casual observers of Japanese defense policies that the current military superiority of the Soviet

Union vis-a-vis the U.S. ally can also be used to wring political or economic concessions out of Japan which might be inconsistent or harmful to its long-term interests.

Japan's defense policies must address this potential danger as well as other concerns because the threat of interference with the nation's political processes is as real as the possibility of another Middle East oil crisis. It is highly conceivable that in order to gain particular trade concessions, access to valuable technology, or favorable political treatment, the Soviet Union would exercise its military presence in an attempt to intimidate the Japanese government. A sufficient self-defense capability backed by a credible American defense commitment will help prevent that threat to the Japanese political system.

Despite continuing disagreements over spending levels, technology transfers and other issues, mutual security questions increasingly have been treated by Japan and the United States in a more mature fashion. Consultations on a number of fronts have accelerated and cooperation appears to be an institutionalized process rather than an exception to the rule. The U.S. Department of Defense has publicly refrained from directly criticizing its ally and has been careful in describing Japanese defense plans as internally-generated policies, not edicts issued by DOD. This lends the policies greater credibility in Japan and aids their ultimate acceptance.

At the same time, Japanese defense officials have, in a sense, "come of age." The relatively bold statements of the prime minister have served several purposes at home and abroad. They have indicated to allies that Japan is willing to assume a greater global role and have forced Japan to reassess its responsibilities. Flaps over "unsinkable aircraft carriers" notwithstanding, the debate over defense in Japan is more open and is relatively free of the reticence and possibly guilt that tarnished it in earlier years.

There appears to be growing acceptance in Japan that building a legitimate and sensible self-defense capability is not tantamount to revived Japanese militarism. This is not to say that a consensus has emerged regarding the appropriate size and role of the SDF, or that all the individual elements of Japan's defense policies have widespread public support. However, government officials and voters alike are more willing to examine these issues today than in previous years. Consequently, the country is not likely to shy away from what it accepts as its responsiblity as a great power.

It is difficult to overemphasize the significance of these developments for Japan. In a few decades, the country has emerged from a bitter experience with a military regime to a position as an important ally of the United States. Much of the transformation has taken place in a relatively short time. American officials and observers, while perhaps justified in urging Japan to assume greater defense responsibilities, must keep in mind that the country has already made great strides in only a few years in terms of defining its own policies and in securing public support for them. Harping on one percent of the GNP -- in either country -- does not serve mutual interests or needs. Cooperating and negotiating as equals does.

For further information, contact Michael Chinworth.

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Table 1: Defense Expenditures of 20 Largest Countries (Fiscal 1981)

	Total Expenditures (Y billion)	Per Capita Defense Expenditures (Y1,000)	Ratio of Defense Expenditures to Budget (%)	Ratio of Defense Expenditures to GNP (%)
1. Soviet Union	Unconfirmed	Unconfirmed	Unconfirmed	8.4% -- 15.0%
2. United States	40,430	180	25.3	6.1*
3. China	Unconfirmed	Unconfirmed	Unconfirmed	Unconfirmed
4. West Germany	6,669	108	28.2	4.3*
5. Saudi Arabia	5,606	692	27.2	20.5
6. Britain	5,506	99	12.1	5.4*
7. Brance	5,406	100	20.7	4.1*
8. Japan	2,400	20	5.1	0.9
9. Argentina	2,315	83	64.2	8.1
10. Italy	2,013	35	5.6	2.5*
11. East Germany	1,596	95	8.6	7.7
12. Israel	1,390	348	30.6	28.7
13. Poland	1,242	35	5.1	4.3
14. India	1,208	2	17.3	3.3
15. Canada	1,128	47	8.3	1.7*
16. Australia	1,097	73	Unconfirmed	3.0
17. Netherlands	1,083	76	9.7	3.4*
18. Iran	1,011	26	10.6	3.6
19. South Korea	912	23	34.2	6.3
20. Czechoslovakia	872	56	8.2	Unconfirmed
(for comparison)				
North Korea	386	21	14.7	8.9

*Ratio of defense expenditures to gross domestic product.

Notes: 1. Figures for each fiscal year given are those for the fiscal year which started in the corresponding year.
2. Estimated defense expenditures for the Soviet Union for 1980 were placed at $175 billion in 1979 prices by a 1981 CIA report. Current estimates of Soviet defense spending are higher.
3. Defense expenditures for NATO countries calculated according to NATO-defined unified concepts.
4. Conversion rate of Y229.56=U.S.$1.00 used for this table.

Source: Japan Defense Agency, Defense of Japan 1983

Table 2: Composition of Defense Expenditure Increases Classified by Use (Fiscal 1972-1983)

Fiscal Year:	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Personnel, provisions	46.6%	46.5%	48.5%	52.9%	56.0%	55.0%	54.4%	51.4%	49.3%	47.7%	46.6%	44.5%
Purchases, maintenance	14.7	14.2	14.2	14.5	14.5	14.5	14.5	13.9	14.1	14.7	15.8	16.3
Equipment	24.9	25.4	22.9	19.0	16.4	17.4	17.1	18.7	20.7	22.5	22.4	24.9
Facilities	2.9	3.1	2.6	2.3	2.3	2.4	2.4	2.9	2.8	2.2	2.3	1.9
R & D	1.4	1.3	1.1	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.1
Base countermeasures	7.6	7.5	8.8	8.6	8.2	8.0	8.7	10.2	10.4	10.5	10.4	10.0
Other	1.9	2.0	1.9	1.8	1.7	1.6	2.0	1.8	1.8	1.5	1.4	1.3

Table 3: Japanese Defense Expenditures Classified by Expense

Fiscal Year	1977	1978	1979	1980	1981	1982	1983
Defense Expenditures							
(Y billion)	Y1,691	Y1,901	Y2,094	Y2,230	Y2,400	Y2,586	Y2,754
($ billion)	$ 6.30	$ 9.03	$ 9.56	$ 9.84	$10.88	$10.38	$11.60
Personnel, provisions	55.0%	54.4%	51.4%	49.3%	47.7%	46.6%	44.5%
Obligational outlays	20.8	20.9	21.3	23.4	26.0	27.1	31.1
Other	24.2	24.7	27.3	27.3	26.3	26.3	24.4

Note: Dollar figures are converted from yen at average annual exchange rates as calculated by the International Monetary Fund.

Source: See Table 1

Table 4: Changes in Japan's General Account, Defense Outlays (original budgets)

Fiscal Year	General Account	Defense Outlays	Ratio
1955 (Ybillion)	Y 991.5	Y 134.9	13.6%
($billion)	$ 2.75	$ 0.37	
1965	Y 3,658.1	Y 301.4	8.2
	$ 10.16	$ 0.84	
1974	Y17,099.4	Y1,093.0	6.4
	$ 58.74	$ 3.75	
1975	Y21,288.8	Y1,327.3	6.2
	$ 71.73	$ 4.47	
1976	Y24,296.0	Y1,512.4	6.2
	$ 81.93	$ 5.10	
1977	Y28,514.3	Y1,690.6	5.9
	$ 106.19	$ 6.30	
1978	Y34,295.0	Y1,901.0	5.5
	$ 162.94	$ 9.03	
1979	Y38,600.1	Y2,094.5	5.4
	$ 176.12	$ 9.56	
1980	Y42,588.8	Y2,230.2	5.2
	$ 187.82	$ 9.84	
1981	Y46,788.1	Y2,400.0	5.1
	$ 212.16	$ 10.88	
1982	Y49,680.8	Y2,586.1	5.2
	$ 199.48	$ 10.38	
1983	Y50,379.6	Y2,754.2	5.5
	212.17	$ 11.60	

Note: Dollar figures are calculated in the same way as in Table 3.

Source: See Table 1

Table 5: Changes in Japan's Defense Expenditures (original budgets)

Fiscal Year	Growth in General Account	Change in Defense Budget	Ratio to GNP
1955	-0.8%	-3.3%	1.78%
1960	10.6	0.6	1.23
1965	12.4	9.6	1.07
1970	18.0	17.7	0.79
1971	18.4	17.8	0.80
1972	21.8	19.3	0.88
1973	24.6	16.9	0.85
1974	19.7	16.8	0.83
1975	24.5	21.4	0.84
1976	14.1	13.9	0.90
1977	17.4	11.8	0.88
1978	20.3	12.4	0.90
1979	12.6	10.2	0.90
1980	10.3	6.5	0.90
1981	9.9	7.6	0.91
1982	6.2	7.8	0.93
1983	1.4	6.5	0.98

Source: See Table 1

Table 6: Rates of Obsolescence in Japanese Forces

	Total Quantity	Up-to-Date Equipment		Old/Obsolete Equipment	
Ground SDF					
Main battle tanks	910	38%	(Type 34)	62%	(Type 61)
Armored personnel carriers	530	22	(Type 73)	78	(Type SU-60)
Field artillery	810	19	(SP guns and MRLS)	81	(Towed weapons)
SAMs	192	28	(Improved Hawks)	72	(Hawks)
Antitank weapons	1,845+	51	(ATM SP 106mm, TOW)	49	(106mm, Type 64 ATGM)
Attack helicopters	2	100	(AH-1S Cobra)		
Utility helicopters	370	51	(KV-107, UH-1H)	49	(TH-55, OH-6J/D)
Average		40%		60%	
Maritime SDF					
Submarines	14	71%	(Yushio, Uzushio classes)	29%	(Asahio class)
Destroyers	33	52	(Shirane, Hatsuyuki classes)	38	(Minegumo, Ayanami classes)
Frigates	33	6	(Ishikare class)	94	(Chikugo, Isuzu classes)
Mine warfare ships	40	65	(Takami, Hatsushima classes)	35	(Kasadio, Nanago classes)
ASW patrol aircraft	110	0		100	(P-2J, S-2F, PS-1)
ASW/MCM helicopters	60	11	(KV-107 MCM)	89	(HSS-2/A/B ASW)
Average		34%		66%	
Air SDF					
Interceptors	240	4%	(F-15J)	96%	(F-104DH, F-4E)
Fighter-bombers	60	100%	(F-1)		
Reconnaissance	14	0		100	(RF-4E)
SAMs	100	0		100	(Nike-J)
Average		26%		84%	

Source: Anthony H. Cordesman, "The Military Balance in Northeast Asia: The Challenge to Japan and Korea", Armed Forces Journal, December 1983.